
WORLD WHEAT SITUATION AND OUTLOOK

MONTHLY HIGHLIGHTS:

The European Union Opens Import Quota: The EU will open the remaining 900,000 ton balance of its global (excluding North America) low- and medium-quality wheat import quota to the United States and Canada, since supplies are not available from Russia and Ukraine. Canada has already filled its separate 38,000 ton quota, whereas European buyers have been slow to purchase much SRW under the separate U.S. quota for 572,000 tons, apparently because of vomitoxin concerns.

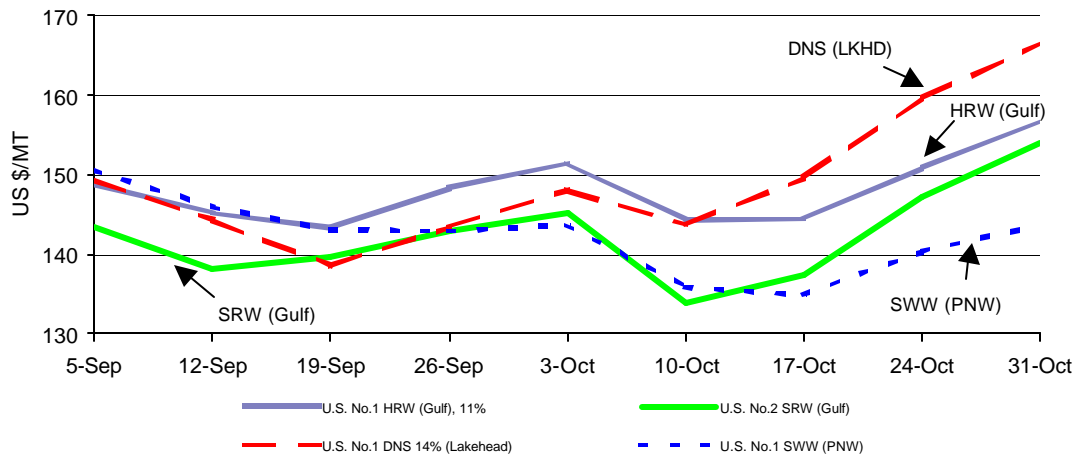
Cuba Turns to New Suppliers: The short European crop is benefiting the United States in its own backyard. For example, Cuba has already purchased over 300,000 tons of U.S. wheat, compared to minimal amounts in previous years. Argentina has also gained a foothold in this new market with recent sales. Cuba had been the EU's largest market in the Western Hemisphere, with EU exports accounting for over 80 percent of this nearly 1 million ton market.

PRICES:

International: In the EU, French prices at Rouen rose \$15 dollars over September's ending price, with some member states seeing almost no difference between feed and milling wheat prices, a result of strong feed demand. Russian low-quality wheat prices climbed \$8 to \$150 per ton, due to a combination of low stocks, strong domestic demand, and continued exports. Lastly, Australian Standard White increased \$6 per ton, Argentine Trigo Pan \$3, and Canadian Spring \$9 due to shrinking global supplies.

Domestic: In early October, U.S. wheat prices dropped to their lowest level in 3 months, but then in late October, climbed to price levels not seen for the last few months. Concerns over low soil moisture in the HRW Belt and speculation of stronger export demand helped HRW prices reach a 2-month high, while SRW and DNS prices reached levels not seen since December 2002. U.S. HRW export bids gained \$8 per ton over the average price during the last week in September. U.S. SRW increased by \$11 per ton, and DNS made a most impressive gain by climbing almost \$23 dollars per ton from September prices.

U.S. Weekly Export Bids (9/5/03 to 10/31/03)



TRADE CHANGES IN 2003/2004

Selected Exporters

- **Argentina** down 500,000 tons to 8.5 million due to falling production.
- **EU** down 500,000 tons to 8.5 million as export tenders remain closed amid tightening supplies and rising domestic prices.
- **India** up 500,000 tons to 2.5 million in light of large early season shipments.
- **United States** up 500,000 tons to 29.0 million due to the strong pace of shipments to date.

Selected Importers

- **Iraq** down 250,000 tons to 1.75 million as a consequence of large stocks caused by strong 02/03 imports. New information has resulted in revisions to Iraq's historical wheat and other grain balance sheets.
- **Romania** up 500,000 tons to 1.5 million attributed to the lowest production on record and large early season imports from France and Russia.

Download the wheat tables in:

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[Return to Table of Contents](#)